

AMENDED IN ASSEMBLY MAY 24, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1310**

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**Introduced by Assembly Member Brown**  
***(Coauthor: Assembly Member Morrell)***

February 22, 2013

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An act to amend Section 14132.25 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1310, as amended, Brown. Medi-Cal: pediatric subacute care.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law requires the department to establish a subacute care program in health facilities in order to more effectively use limited Medi-Cal dollars while ensuring needed services for patients who meet subacute care criteria, as established by the department. For the purposes of the subacute care program, existing law defines pediatric subacute services as the health care services needed by a person under 21 years of age who uses a medical technology that compensates for the loss of a vital bodily function. Existing law also provides that, for the purposes of the subacute care program, medical necessity for pediatric subacute care services, as defined, shall be substantiated in one of 5 ways.

This bill would expand the definition of pediatric subacute services to include the health care services needed by a person ~~between 21 and 22 years of age who uses a medical technology that compensates for~~

~~the loss of a vital bodily function and to include the health care services needed by a person under 22~~ *under 21* years of age who requires treatment for one or more active complex medical conditions or requires the administration of one or more technically complex treatments.

This bill would also provide that one of the ways that medical necessity for pediatric subacute care services shall be substantiated is by dependence on complex wound care management or the presence of a medical condition and necessity of care such that his or her health care needs may be satisfied by placement in a facility providing pediatric subacute care services, but, in the absence of access to a pediatric subacute care service, the only alternative in patient care ~~sufficient~~ *appropriate* to meet the patient's medical needs is an acute care hospital bed. The bill would also provide that medical necessity may be shown solely by dependence on total parenteral nutrition or other intravenous nutritional support, without a showing of dependence on additional treatments, and by dependence on tracheostomy care, as specified, in conjunction with dependence on tube feeding by means of a jejunostomy tube.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14132.25 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14132.25. (a) On or before July 1, 1983, the State Department
- 4 of Health Care Services shall establish a subacute care program
- 5 in health facilities in order to more effectively use the limited
- 6 Medi-Cal dollars available while at the same time ensuring needed
- 7 services for these patients. The subacute care program shall be
- 8 available to patients in health facilities who meet subacute care
- 9 criteria. Subacute care may be provided by any facility designated
- 10 by the director as meeting the subacute care criteria that has an
- 11 approved provider participation agreement with the department.
- 12 (b) The department shall develop a rate of reimbursement for
- 13 this subacute care program. Reimbursement rates shall be
- 14 determined in accordance with methodology developed by the
- 15 department, specified in regulation, and may include the following:
- 16 (1) All-inclusive per diem rates.

1 (2) Individual patient-specific rates according to the needs of  
2 the individual subacute care patient.

3 (3) Other rates subject to negotiation with the health facility.

4 (c) Reimbursement at subacute care rates, as specified in  
5 subdivision (b), shall only be implemented if funds are available  
6 for this purpose pursuant to the annual Budget Act.

7 (d) The department may negotiate and execute an agreement  
8 with any health facility that meets the standards for providing  
9 subacute care. An agreement may be negotiated or established  
10 between the health facility and the department for subacute care  
11 based on individual patient assessment. The department shall  
12 establish level of care criteria and appropriate utilization controls  
13 for patients eligible for the subacute care program.

14 (e) For the purposes of this section, pediatric subacute services  
15 are the health care services needed by a person under ~~22~~ 21 years  
16 of age who uses a medical technology that compensates for the  
17 loss of a vital bodily function, requires treatment for one or more  
18 active complex medical conditions, or requires the administration  
19 of one or more technically complex treatments.

20 (f) Medical necessity for pediatric subacute care services shall  
21 be substantiated in any one of the following ways:

22 (1) A tracheostomy with dependence on mechanical ventilation  
23 for a minimum of six hours each day.

24 (2) Dependence on tracheostomy care requiring suctioning at  
25 least every six hours, and room air mist or oxygen as needed, and  
26 dependence on one of the five treatment procedures listed in  
27 subparagraphs (B) to (F), inclusive:

28 (A) Dependence on intermittent suctioning at least every eight  
29 hours and room air mist and oxygen as needed.

30 (B) Dependence on continuous intravenous therapy, including  
31 administration of a therapeutic agent necessary for hydration or  
32 of intravenous pharmaceuticals, or intravenous pharmaceutical  
33 administration of one or more agents, via a peripheral or central  
34 line, without continuous infusion.

35 (C) Dependence on peritoneal dialysis treatments requiring at  
36 least four exchanges every 24 hours.

37 (D) Dependence on tube feeding by means of a nasogastric,  
38 gastrostomy, or jejunostomy tube.

39 (E) Dependence on other medical technologies required  
40 continuously, that, in the opinion of the attending physician and

1 the Medi-Cal consultant, require the services of a licensed  
2 registered nurse.

3 (F) Dependence on biphasic positive airway pressure at least  
4 six hours a day, including assessment or intervention every three  
5 hours and lacking either cognitive or physical ability of the patient  
6 to protect his or her airway.

7 (3) Dependence on total parenteral nutrition or other intravenous  
8 nutritional support.

9 (4) Dependence on skilled nursing care in the administration of  
10 any three of the following six treatment procedures:

11 (A) Dependence on intermittent suctioning at least every eight  
12 hours and room air mist and oxygen as needed.

13 (B) Dependence on continuous intravenous therapy, including  
14 administration of a therapeutic agent necessary for hydration or  
15 of intravenous pharmaceuticals, or intravenous pharmaceutical  
16 administration of one or more agents, via a peripheral or central  
17 line, without continuous infusion.

18 (C) Dependence on peritoneal dialysis treatments requiring at  
19 least four exchanges every 24 hours.

20 (D) Dependence on tube feeding by means of a nasogastric,  
21 gastrostomy, or jejunostomy tube.

22 (E) Dependence on other medical technologies required  
23 continuously that in the opinion of the attending physician and the  
24 Medi-Cal consultant, require the services of a licensed registered  
25 nurse.

26 (F) Dependence on biphasic positive airway pressure at least  
27 six hours a day, including assessment or intervention every three  
28 hours for a patient lacking either cognitive or physical ability of  
29 the patient to protect his or her airway.

30 (5) Dependence on biphasic positive airway pressure or  
31 continuous positive airway pressure at least six hours a day,  
32 including assessment or intervention every three hours, for a patient  
33 lacking either cognitive or physical ability to protect his or her  
34 airway, and dependence on one of the following five treatment  
35 procedures:

36 (A) Dependence on intermittent suctioning at least every eight  
37 hours and room air mist and oxygen as needed.

38 (B) Dependence on continuous intravenous therapy, including  
39 administration of a therapeutic agent necessary for hydration or  
40 of intravenous pharmaceuticals, or intravenous pharmaceutical

1 administration of one or more agents, via a peripheral or central  
2 line, without continuous infusion.

3 (C) Dependence on peritoneal dialysis treatments requiring at  
4 least four exchanges every 24 hours.

5 (D) Dependence on tube feeding by means of a nasogastric,  
6 gastrostomy, or jejunostomy tube.

7 (E) Dependence on other medical technologies required  
8 continuously that in the opinion of the attending physician and the  
9 Medi-Cal consultant, require the services of a licensed registered  
10 nurse.

11 (6) Dependence on complex wound care management, including  
12 daily assessment or intervention by a licensed registered nurse and  
13 daily dressing changes, wound packing, debridement, negative  
14 pressure wound therapy, or a special mattress.

15 (7) The patient has a medical condition and requires an intensity  
16 of medical or skilled nursing care such that his or her health care  
17 needs may be satisfied by placement in a facility providing  
18 pediatric subacute care services, but, in the absence of a facility  
19 providing pediatric subacute care services, the only other inpatient  
20 care appropriate to meet the patient's health care needs under the  
21 Medi-Cal program is in an acute care licensed hospital bed.

22 (g) The medical necessity determination outlined in subdivision  
23 (f) is intended solely for the evaluation of a patient who is  
24 potentially eligible and meets the criteria to be transferred from  
25 an acute care setting to a subacute level of care.